

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

	X
	:
<i>In re</i>	:
	:
THE FINANCIAL OVERSIGHT AND	: PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	: Title III
	:
as representative of	:
	: Case No. 17-BK-3283 (LTS)
	:
THE COMMONWEALTH OF PUERTO RICO,	: (Jointly Administered)
<i>et al.</i> , ¹	:
	:
Debtors.	:

	X	
	:	
<i>In re</i>	:	
	:	PROMESA
THE FINANCIAL OVERSIGHT AND	:	Title III
MANAGEMENT BOARD FOR PUERTO RICO,	:	
	:	
as representative of	:	Case No. 17-BK-04780 (LTS)
	:	
PUERTO RICO ELECTRIC POWER	:	Court Filing Relates Only to PREPA
AUTHORITY (PREPA),	:	
	:	
Debtor.	:	

**FUEL LINE LENDERS' URGENT MOTION FOR LEAVE TO EXCEED PAGE LIMIT
WITH RESPECT TO OBJECTION TO PREPA SETTLEMENT MOTION**

1 The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a
bankruptcy case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable,
are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax
ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS)
(Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”)
(Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement
System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS)
(Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case
No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority
(“PBA”) (Bankruptcy Case No. 19 BK 5523-LTS) (Last Four Digits of Federal Tax ID: 3801).

To the Honorable United States District Judge Laura Taylor Swain:

Cortland Capital Market Services LLC (“Cortland”), as successor administrative agent for lenders under a Credit Agreement, dated May 4, 2012, among PREPA, Scotiabank de Puerto Rico, and certain lenders (the “Scotiabank Credit Agreement”), and SOLA LTD, Solus Opportunities Fund 5 LP, Ultra Master LTD, and Ultra NB LLC (collectively, “Solus”), as lenders to PREPA under the Scotiabank Credit Agreement and under a Trade Finance Facility Agreement, dated July 20, 2012, between PREPA and Citibank, N.A., respectfully submit this urgent motion requesting entry of an order, substantially in the form appended hereto, allowing them to exceed the thirty-five (35) page limit set forth in the *Tenth Amended Notice, Case Management, and Administrative Procedures* [Docket No. 8027-1 in Case No. 17-3283] (the “Case Management Procedures”) and to submit a joint objection of up the ninety (90) pages in response to the *Joint Motion of Puerto Rico Electric Power Authority and AAFAF Pursuant to Bankruptcy Code Sections 362, 502, 922 and 928, and Bankruptcy Rules 3012(a)(1) and 9019 for Order Approving Settlements Embodied in the Restructuring Support Agreement and Tolling Certain Limitations Periods* [Dkt. 1235], including the supplemental memorandum dated July 2, 2019 [Dkt. 1425] and the second supplemental memorandum dated July 19, 2019 [Dkt. 1486].²

Pursuant to the operative scheduling order [Dkt. 1639], objections to the Settlement Motion are currently due on October 18, 2019. The parties are discussing a short extension of the deadline in light of the deposition schedule.

As noted below, the Government Parties do not object to this relief.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Settlement Motion. Cortland and Solus are together referred to as the “Fuel Line Lenders.”

JURISDICTION AND VENUE

1. The United States District Court for the District of Puerto Rico (the “Court”) has subject-matter jurisdiction over this matter pursuant to PROMESA § 306(a). Venue is proper subject to PROMESA § 307(a).

RELIEF REQUESTED

2. The Fuel Line Lenders — who are collectively owed approximately \$700 million by PREPA, exclusive of interest— intend to file a joint objection to the Settlement Motion. The Fuel Line Lenders respectfully request that they be allowed to exceed the page limit for memoranda of law in support of objections of thirty-five (35) pages and to file a joint objection of no more than ninety (90) pages, exclusive of the cover page, tables of contents and authorities, signature pages, exhibits, and certificate of service.

BASIS FOR RELIEF REQUESTED

3. Pursuant to paragraph I.E of the Case Management Procedures, memoranda of law in support of objections are limited to thirty-five (35) pages unless “prior permission has been granted” to exceed that limit.

4. The Fuel Line Lenders respectfully submit that there is good cause to exceed that limit under these circumstances. The Government Parties filed a total of 135 pages of briefing in support of the Settlement Motion, including forty-six (46) pages in connection with the original Settlement Motion [Dkt. 1235], fifty-five (55) pages in connection with the supplemental memorandum in support of the Settlement Motion [Dkt. 1425], and thirty-four (34) pages in connection with the second supplemental memorandum in support of the Settlement Motion [Dkt. 1486]. The Government Parties will submit additional pages in reply (in addition to any submissions by other parties to the settlement).

5. As the Oversight Board has recognized in seeking to extend page limits in connection with the Settlement Motion, the issues raised by the Settlement Motion are “wide-ranging and complex,” necessitating additional pages for submissions. [Dkt. 1420 ¶ 8.] The Fuel Line Lenders did not object the Oversight Board’s motions to extend page limits. [Dkt Nos. 1229, 1420.]

6. The Fuel Line Lenders — including Cortland as agent under the Scotiabank facility and lenders under the Citibank facility — are coordinating to file a joint objection to the Settlement Motion. The objection will respond to arguments in the Government Parties’ three submissions, including arguments that are specific to the Fuel Line Lenders and arguments that apply more broadly. The Objection will also have to explain the facts relating to each of the Fuel Lines (including the Scotiabank facility and the Citibank facility), so that the Court has adequate background and context for the arguments in opposition to the Settlement Motion.

7. The Fuel Line Lenders intend to object to the Settlement Motion on multiple grounds, including that the RSA: (a) adversely impairs the rights of the Fuel Line Lenders, including the priority rights of “Current Expense” claimants under governing agreements and Puerto Rico law; (b) would improperly release causes of action included in the “Lien Challenge” brought by the Fuel Line Lenders; (c) does not represent a fair and reasonable settlement of the pending disputes between the Government Parties and the bondholders; (d) is not in the paramount interests of creditors; and (e) would improperly award significant administrative expense claims without a valid basis. The objection will also show that the Government Parties are estopped and otherwise precluded from taking various of the positions that they have taken in seeking approval of the Settlement Motion.

8. The Fuel Line Lenders respectfully submit that a submission of up to 90 pages is necessary and appropriate to address the arguments raised in the Government Parties' 135 pages of briefing, to present the relevant facts, and to ensure that their substantial objections to this highly consequential motion are fully articulated.

9. The Fuel Line Lenders conferred with counsel for the Government Parties regarding this relief. Counsel for the Government Parties have advised that they do not object to this motion but only affirmatively "consent to a reasonable enlargement of the page limit as determined by the Court."

CERTIFICATION

10. Pursuant to Local Rule 9013-1 and paragraph I.H of the Case Management Procedures, the Fuel Line Lenders hereby certify that they have (a) carefully examined the matter and concluded that there is a true need for an urgent motion; (b) not created the urgency through a lack of due diligence; (c) made a bona fide effort to resolve the matter without a hearing; (d) made reasonable, good faith communications in an effort to resolve or narrow the issues being brought to the court; and (e) conferred with counsel for the Government Parties, who have advised that the the Government Parties do not object to the relief sought here.

CONCLUSION

11. For the foregoing reasons, the Fuel Line Lenders respectfully request that the Court enter the Proposed Order appended hereto.

Dated: October 15, 2019

Respectfully submitted,

/s/ Nayuan Zouairabani

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